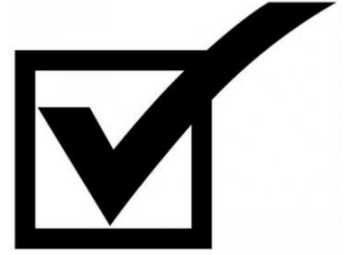




**BUSINESS  
PROFESSIONALS  
of AMERICA**  
Giving Purpose to Potential



# **COLLEGE ACCOUNTING**

## **(105)**

## **REGIONAL 2026**

### **CONCEPT KNOWLEDGE:**

Multiple Choice (30 @ 2 points each) \_\_\_\_\_ (60 points)

### **APPLICATION KNOWLEDGE:**

Horizontal Analysis (10 @ 3 points each) \_\_\_\_\_ (30 points)

Short Answer (18 @ 2 points each) \_\_\_\_\_ (36 points)

Job 1 – Income Statement \_\_\_\_\_ (40 points)

Job 2 – Journal Entries \_\_\_\_\_ (130 points)

***TOTAL POINTS*** \_\_\_\_\_ ***(296 points)***

**Test Time: 90 minutes**

**MULTIPLE CHOICE**

(2 points each; 60 points total)

1.	<b>C</b>	16.	<b>B</b>
2.	<b>C</b>	17.	<b>C</b>
3.	<b>A</b>	18.	<b>D</b>
4.	<b>B</b>	19.	<b>B</b>
5.	<b>C</b>	20.	<b>C</b>
6.	<b>B</b>	21.	<b>D</b>
7.	<b>B</b>	22.	<b>A</b>
8.	<b>D</b>	23.	<b>A</b>
9.	<b>D</b>	24.	<b>A</b>
10.	<b>B</b>	25.	<b>D</b>
11.	<b>C</b>	26.	<b>B</b>
12.	<b>C</b>	27.	<b>A</b>
13.	<b>B</b>	28.	<b>B</b>
14.	<b>B</b>	29.	<b>B</b>
15.	<b>A</b>	30.	<b>D</b>

**HORIZONTAL ANALYSIS**

(3 points each; 30 points total)

	Recent Year	Prior Year	\$ change Increase or (Decrease)	% change Increase or (Decrease)
Sales	\$ 77,356	\$ 72,714	\$ 4,642	6.4%
Cost of Sales	35,278	30,547	4,731	15.5%
Gross Margin	\$ 42,078	\$ 42,167	\$ (89)	-0.2%
Operating Expenses	27,555	26,893	662	2.5%
Operating Income	\$ 14,523	\$ 15,274	\$ (751)	-4.9%

## SHORT ANSWER

GRADER:

#1 has been completed as an example.

One point each for the effect of O or U or NE and one point each for the amount.

(2 points each; 36 points total)

		Revenues	Expenses	Net Income	Assets	Liabilities	Equity
1	Wages	\$0 NE	\$10,000 U	\$10,000 O	\$0 NE	\$10,000 U	\$10,000 O
2	Unearned Revenue	\$15,500 U	\$0 NE	\$15,500 U	\$0 NE	\$15,500 O	\$15,500 U
3	Prepaid Insurance	\$0 NE	\$12,000 U	\$12,000 O	\$12,000 O	\$0 NE	\$12,000 O
4	Depreciation Expense	\$0 NE	\$32,800 U	\$32,800 O	\$32,800 O	\$0 NE	\$32,800 O

## PROBLEMS:

### Job 1: Financial Statements

On December 3, 2025, Jager Juice Company had the following adjusted account balances. Given this information, prepare an income statement.

**Grader:** 2 points for each line in the correct three-line heading

2 points each for account titles and amounts, including the total expenses \$ amount.

Total 40 points

Jager Juice Company Income Statement for the year ended December 31, 2025		
Sales Revenue		\$ 105,800
Operating Expenses:		
Wages Expense	\$ 32,850	
Rent Expense	24,520	
Supplies Expense	8,560	
Depreciation Expense, Office Equipment	6,300	
Maintenance and Repairs Expense	5,870	
Miscellaneous Expense	9,750	87,850
Net Operating Income		<u>\$ 17,950</u>

**Job 2 Journal Entries** (2 points each; 130 points total)

Two points each for dates, account titles and amounts.

Oct. 1	Cash	400,000	
	Common Stock		20,000
	Paid-in Capital in Excess of Par		380,000
Oct. 2	Rent Expense	2,000	
	Cash		2,000
Oct. 3	Automobile	32,800	
	Cash		7,800
	Note Payable		25,000
Oct. 4	Store Equipment	9,000	
	Accounts Payable		9,000
Oct. 5	Supplies	5,500	
	Cash		5,500
Oct. 8	Prepaid Insurance	12,000	
	Cash		12,000
Oct. 10	Miscellaneous Expenses	1,815	
	Cash		1,815
Oct. 12	Inventory	25,500	
	Accounts Payable		25,500
Oct. 15	Cash	10,000	
	Sales Revenue		10,000
	Cost of Goods Sold	5,000	
	Inventory		5,000
Oct. 15	Wages Expense	6,450	
	Cash		6,450
Oct. 20	Note Payable	4,750	
	Interest Expense	250	
	Cash		5,000